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Report of the Economic and Social Council

Programme budget for the biennium 2008-2009

Financing of the core diplomatic training activities of the United Nations Institute for Training and Research

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the core diplomatic training activities of the United Nations Institute for Training and Research (UNITAR) (A/63/592). The Committee also had before it the related report of the Board of Auditors.[1] During its consideration of the report of the Secretary-General, the Advisory Committee met with the Executive Director of the Institute and representatives of the Secretary-General, who provided additional information and clarifications.

2. In his report, the Secretary-General described the recent reform process at UNITAR and noted that the organizational structure of the Institute had undergone a rationalization process to ensure proper lines of responsibility and accountability through a more vertical structure, including regular performance evaluations and systematic reviews of job descriptions (A/63/592, paras. 3-8). The Advisory Committee was informed that a central element of the reform was the establishment of the Partnerships and Resource Mobilization Section, which has developed a long-term strategy for generating voluntary funding, both earmarked and non-earmarked. UNITAR has also addressed all but one of the outstanding recommendations of the Board of Auditors (see A/63/5/Add.4, para. 53). **The Advisory Committee commends UNITAR for the progress it has made in the reform of its overall operations.**

3. As shown in table 1 of the Secretary-General's report, there has been a steady increase in voluntary contributions over the last four bienniums, from $16.6 million

[1] See *Official Records of the General Assembly, Sixty-third Session, Supplement No. 5D* (A/63/5/Add.4).

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during the biennium 2002-2003 to an estimated $35.1 million in 2008-2009. The Advisory Committee welcomes the fact that earmarked contributions have doubled in size, from approximately $15 million in 2002-2003 to an estimated $30 million in 2008-2009. In contrast, however, non-earmarked contributions have remained at a modest level increasing from approximately $581,000 in 2002-2003 to an estimated $850,000 in 2008-2009. Upon enquiry, the Committee was informed that, since 2007, seven countries had commenced or resumed their non-earmarked contributions to the Institute. **The Advisory Committee welcomes this development.**

4. The Secretary-General reported that, in previous years, core diplomatic training was funded through voluntary, non-earmarked contributions, but that since the decline in such contributions the Institute had pursued other funding sources to meet core diplomatic training costs (see A/63/592, paras. 19-24). As indicated in paragraph 22 of the report, the use of programme support costs from unrelated special-purpose grants to cover the costs of core diplomatic training will cease. This is a central part of the reform initiatives endorsed by the UNITAR Board of Trustees in May 2008 and is in line with the recommendations on strengthening accountability and adopting better business practices of the High-level Panel on System-wide Coherence.

5. The Secretary-General noted in his report that the total projected cost of core diplomatic training for the biennium 2008-2009 is $2.4 million. Of that amount, it is expected that $600,000 would be covered by voluntary contributions, and another $600,000 would be financed from special-purpose grants for core diplomatic training activities (see table below), leaving an estimated shortfall of $1.2 million. In this connection, the Secretary-General noted that only a small amount of funding for core diplomatic training is provided by Member States. Upon request, the Advisory Committee was provided with an updated version of table 5 of the Secretary-General's report showing special-purpose grant donors and income for 2008-2009 for core diplomatic training.

Special-purpose grant donors and income for 2008-2009 for core diplomatic training

(United States dollars, status: 1 February 2009)

Donor	*Income*
International Organization of la Francophonie	93 182.93
South Africa, Department of Foreign Affairs	60 000.00
Mexico, Ministry of Foreign Affairs	20 000.00
United Nations Population Fund	53 500.00
MacArthur Foundation	196 000.00
Olof Palmes Minnesfond, Sweden	154 067.00
Spain, Ministry of Foreign Affairs	76 000.00
Total	**652 749.93**

6. The Advisory Committee was informed, upon enquiry, that the Institute had taken a number of measures to address the current financial shortfalls, including a hiring freeze of three Director-level positions in the Support Services Department, the Training Department and the Research Department. The Committee was informed

that this would affect some elements of the reform package, such as the establishment of the committee to ensure quality control of training materials, ensuring synergies between UNITAR representational offices and programmes at UNITAR headquarters, and the introduction of cost-cutting efforts across departments. Other measures included the reduction of training activities in Nairobi and at the regional commissions headquartered in Bangkok, Beirut and Santiago. **The Advisory Committee welcomes the Institute's prudent approach to reducing costs and trusts that every effort will be made to ensure that the measures taken will not adversely affect mandated activities.**

7. The Advisory Committee notes from the annex to the report that the number of participants in core diplomatic training events ranges from 4 to 297. No information is provided on the associated costs for each activity. The Committee further notes from table 3 of the report that expenditure for core diplomatic training has more than doubled since the biennium 2002-2003. Upon enquiry, the Committee was informed that the number of participants for core diplomatic training courses increased from 1,436 participants in 2004 to 2,418 participants in 2008 and that the number of training days increased from 54 training days in 2004 to 130 training days in 2008.

8. **The Advisory Committee recognizes the importance of the core diplomatic training and recommends approval, on an exceptional basis for the biennium 2010-2011, of an annual subvention in the amount of $600,000, or a total of $1.2 million for the biennium, on the understanding that the Institute will intensify its efforts to raise funds for the programme and undertake a prioritization exercise. It is the Committee's opinion that it would be useful for UNITAR to undertake such an exercise in order to prioritize the activities of the core diplomatic training programme with a view to aligning activities with available resources and utilizing those resources as effectively as possible.**

9. **The Advisory Committee also points out that the training services provided by the Institute are utilized not only by the United Nations, but also by United Nations specialized agencies, funds and programmes. The Committee therefore recommends that the Institute explore possibilities for cost-sharing for the training services provided to these entities.**

10. **The Advisory Committee requests that the Institute report, in its proposed programme budget for 2012-2013, on results achieved with regard to fund-raising for core diplomatic training activities, the above-mentioned prioritization exercise and possible cost-sharing arrangements.**

11. As to the proposal in paragraph 33 of the report concerning the amendment of paragraph 2 of article VIII of the statute of UNITAR to include a subvention from the regular budget, the Advisory Committee recalls General Assembly resolutions 1827 (XVII), 1934 (XVIII), 42/197 and 47/227, in which the Assembly affirmed the voluntary nature of the funding of UNITAR. **Bearing in mind its recommendations and observations in the paragraphs above, the Advisory Committee recommends against approval of the proposal in the report of the Secretary-General.**